

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:04
PLR-136876-08

Date:
December 01, 2008

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Dear :

This responds to your August 22, 2008 request that we supplement our letter ruling dated April 16, 2008 (PLR-103725-08) (the "Prior Letter Ruling"). The information provided in that letter and in later correspondence is summarized below. Capitalized terms not defined in this letter have the meanings originally assigned to them in the Prior Letter Ruling.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the proposed transaction: (i) satisfies the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see § 355(a)(1)(B) of the Internal Revenue Code and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see § 355(e) and § 1.355-7).

Supplemental Facts

Prior to the Proposed Transaction, the Controlled certificate of incorporation was amended to reflect modifications to the terms of the Controlled Class B Common Stock. The amendment was accomplished through a vote of the present holder, Distributing, of shares of Controlled Class B Common Stock. The modified terms of the Controlled Class B Common Stock provide that subsequent to the Distribution, for so long as any person, entity, or group or entities acting in concert beneficially owns 1 percent (the "Threshold Amount") or more of the then outstanding shares of Class B Common Stock, then in any election of directors or other exercise of voting rights with respect to the election or removal of directors, such person, entity, or group shall only be entitled, as to the Class B shares beneficially owned by such person, entity, or group, to vote (or otherwise exercise voting rights with respect to) a number of shares of Class B Common Stock that equals the product of (A) the total number of shares of Class B Common Stock then outstanding multiplied by (B) the greater of (i) the Threshold Amount (expressed as a percentage) and (ii) such person, entity or group's Entitled Voting Percentage (as defined below) (such product, the "Voting Class B Shares").

For the purposes hereof, a person, entity, or group's "Entitled Voting Percentage" at any time shall mean the lesser of (x) the percentage of the then outstanding shares of Class A Common Stock beneficially owned by such person, entity, or group at such time and (y) the percentage of the then outstanding shares of Class B Common Stock beneficially owned by such person, entity, or group at such time. Any shares of Class B Common Stock beneficially owned by such person, entity, or group in excess of the Voting Class B Shares shall automatically be voted in proportion to the aggregate votes of the shares of Class B Common Stock held by holders of Class B Common Stock who beneficially own less than 1 percent of the Class B Common Stock (ignoring abstentions and any shares that were not present in person or represented by proxy at the meeting at which the applicable vote is taken).

For purposes of this amendment, a "beneficial owner" includes any person, entity, or group of persons or entities who, directly or indirectly (including through any contract, arrangement, understanding, relationship or otherwise, written or oral, formal or informal) control the voting power (which includes the power to vote or to direct the voting) of such common stock within the meaning of Rule 13d-3(a)(1) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") provided, however, that a person shall not be deemed the "beneficial owner" of, or to "beneficially own," any security as a result of a contract, arrangement, understanding or relationship to vote such security if such contract, arrangement, understanding or relationship: (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not reportable by such

Person on Schedule 13D under the Exchange Act (or any comparable or successor report).

In addition to the amendments to the Controlled certificate of incorporation, Controlled has adopted a shareholder rights plan. This plan provides Controlled Class A and Class B shareholders with the right to acquire Controlled Common Stock at a discount if a person or group acquires, or tenders an offer to acquire, percent or more of the outstanding Controlled Class A and Class B Common Stock, or percent or more of the outstanding Controlled Class B Common Stock (the "Controlled Preferred Stock Purchase Rights"). The Controlled Preferred Stock Purchase Rights are the type described in Rev. Rul. 90-11, 1990-1 C.B. 10.

Representations

In connection with its request for a supplemental ruling, Distributing reaffirms all of the representations contained in the Prior Letter Ruling.

Rulings

Based solely on the information submitted and the representations made herein and submitted with the Prior Letter Ruling, we rule as follows:

The supplemental facts submitted will not adversely affect the Prior Letter Ruling, which, as modified thereby, will remain in full force and effect.

Caveats

No opinion is expressed about the tax treatment of the proposed transaction described above under other provisions of the Code and regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the proposed transaction that is not specifically covered by the above rulings. In particular, no opinion is expressed regarding: (i) whether the proposed transaction satisfies the business purpose requirement of § 1.355-2(b); (ii) whether the proposed transaction is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see § 355(a)(1)(B) and § 1.355-2(d)); or (iii) whether the proposed transaction is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see § 355(e)(2)(A)(ii) and § 1.355-7).

Procedural Statements

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing

their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of this letter ruling.

In accordance with the power of attorney on file in this office, a copy of this ruling letter is being sent to your authorized representative.

Sincerely,

Richard K. Passales
Senior Counsel, Branch 4
Associate Chief Counsel (Corporate)